

**Pointe Coupee Better Access Community Health
(BACH)**

Annual Financial Statement

Year ended August 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/16/11

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Pointe Coupee Better Access Community Health (BACH)

I have audited the accompanying statement of financial position of Pointe Coupee Better Access Community Health (BACH), (a nonprofit organization) as of August 31, 2010, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of Pointe Coupee Better Access Community Health (BACH)'s management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Pointe Coupee Better Access Community Health (BACH) as of August 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated February 24, 2011 on my consideration of Pointe Coupee Better Access Community Health (BACH)'s internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of

an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

My audit was performed for the purpose of forming an opinion on the basic financial statements of Pointe Coupee Better Access Community Health (BACH) taken as a whole. The accompanying schedule of functional expense on page 11, is also presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

W. Kathleen Beard, CPA

February 24, 2011

Basic Financial Statements

Pointe Coupee Better Access Community Health (BACH)
Statement of Financial Position
August 31, 2010

Assets

Current Assets:	
Cash and cash equivalents -	
Unrestricted	\$82,293
Restricted	-
Patient accounts receivable (net)	33,460
Other receivables	5,864
Total Current Assets	121,617
Non-current Assets:	
Property and equipment (net of accumulated depreciation)	309,721
Total Non-current Assets	309,721
Total Assets	\$ 431,338

Liabilities and Net Assets

Current Liabilities:	
Accounts Payable	\$16,711
Payroll liabilities	1,738
Total Liabilities (All Current)	18,448
Net Assets:	
Unrestricted	412,890
Temporarily restricted	0
Total Net Assets	412,890
Total Liabilities & Net Assets	\$431,338

The accompanying notes are an integral part of these financial statements.

Pointe Coupee Better Access Community Health (BACH)
Statement of Activities
For the year ended August 31, 2010

	Unrestricted	Temporarily Restricted	Total
Revenues, Gains and Other Support			
Contributions	\$ 160,588	\$ -	\$ 160,588
Grants	114,961	-	114,961
Service fees	57,479	-	57,479
Patient fees, net	244,413	-	244,413
Other income	6,905	-	6,905
Net assets released from restrictions:		-	-
Wilson Grant - Expiration of time restrictions	25,050	(25,050)	-
	<hr/>	<hr/>	<hr/>
Total unrestricted revenues and gains	609,396	(25,050)	584,346
Expenses			
Program services	457,373	-	457,373
Supporting services -			
Management & general	239,400	-	239,400
Fundraising	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenses	696,773	-	696,773
Loss from uncollectible accounts receivable	11,935	-	11,935
	<hr/>	<hr/>	<hr/>
Total expenses and losses	708,708	-	708,708
Change in net assets	(99,312)	(25,050)	(124,362)
Net Assets, Beginning of Year	512,202	25,050	537,252
	<hr/>	<hr/>	<hr/>
Net Assets, End of Year	\$ 412,890	\$ -	\$ 412,890
	<hr/>	<hr/>	<hr/>

The accompanying notes are an integral part of these financial statements.

Pointe Coupee Better Access Community Health (BACH)
Statement of Cash Flow
For the year ended August 31, 2010

Cash flows from operating activities	
Change in net assets	(\$124,362)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:	
Depreciation expense	51,948
(Increase)decrease in accounts receivable	5,763
(Increase)decrease in other receivables	(5,264)
Increase (decrease) in accounts payable	8,605
Increase (decrease) in payroll liabilities	<u>(3,512)</u>
 Cash provided by (used by) operating activities	 (66,822)
Cash flows from investing activities:	
Purchase of property and equipment	<u>-</u>
 Cash (used for) investing activities	 <u>0</u>
 Net Increase (Decrease) in Cash	 (66,822)
 Cash and cash equivalents, Beginning of Year	 <u>149,115</u>
 Cash and cash equivalents, End of Year	 <u><u>\$82,293</u></u>
Cash and cash equivalents:	
Unrestricted	\$82,293
Restricted	<u>0</u>
	<u><u>\$82,293</u></u>

The accompanying notes are an integral part of these financial statements

Pointe Coupee Better Access Community Health (BACH)
Notes to Financial Statements
August 31, 2010

INTRODUCTION

Pointe Coupee Better Access Community Health (BACH) was created as a nonprofit corporation, whose purposes include reducing the barriers to health care, improving efficiency of health care, reducing the overall cost of health care, and improving the health status of the citizens of Pointe Coupee Parish, Louisiana with particular focus on the socio-economically disadvantaged in rural populations.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting - The financial statements of Pointe Coupee Better Access Community Health (BACH), have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Basis of presentation - Financial statement presentation follows the recommendations of the FASB-ASC (Financial Accounting Standards Board - Accounting Standards Codification) 958 *Financial Statements of Not-for Profit Organizations*. Under FASB-ASC 958, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and cash equivalents - For purposes of the Statements of Cash Flows, the BACH considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Accounts receivable - Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance is based on experience, third-party contracts, and other circumstances, which may affect the ability of patients to meet their obligations. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Contributions/Grants - The organization follows FASB-ASC 958, *Accounting for Contributions Received and Contributions Made*. In accordance with FASB-ASC 958, contributions or grants received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are classified to unrestricted net assets and reported the Statement of Activities as net assets released from restrictions.

Pointe Coupee Better Access Community Health (BACH)
Notes to Financial Statements
August 31, 2010

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Expense allocation - Directly identifiable expenses are charged to programs and support services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Income tax status - The Organization is exempt from federal income tax under Section 501(c) (3) of the Internal Revenue Code. However, income from certain activities not directly related to the Organization's tax exempt purpose could be subject to taxation as unrelated business income. In addition, the Organization qualifies for charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Sliding Scale Adjustments - The Organization provides medical services to patients who qualify under federal guidelines and other corporate policies of the organization at fees less than established rates. These adjustments are deducted from the amount of fees for services presented in the statement of activities.

Property and equipment - All acquisitions of property and equipment in excess of \$250 and all expenditures that materially increase values, change capabilities, or extend useful lives of assets are capitalized. Routine maintenance, repairs and minor equipment replacement costs are charged against operations.

Property and equipment are carried at cost. Donated property and equipment are carried at approximate fair value at the date of donation. Depreciation is provided using the straight-line method over their estimated useful lives of the assets as follows:

Clinic equipment	10 years
Furniture and fixtures	10 years
Office equipment	10 years
Vehicles	5 years

Pointe Coupee Better Access Community Health (BACH)
Notes to Financial Statements
August 31, 2010

B. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of BACH's financial instruments at August 31, 2010 were as follows:

	Cost	Fair Value
Cash and cash equivalents	\$ 82,293	\$ 82,293

C. NET PATIENT RECEIVABLES AND REVENUES

Pointe Coupee Better Access Community Health (BACH) extends credit to patients as well as to third-party intermediaries responsible for medical services provided to patients. In many cases, the amount collected is less than the amount billed. Accordingly, the receivable balance has been reduced to the amount considered collectible by BACH's management, which is approximately 40%.

Receivables for patient services are reported net of allowances for doubtful accounts. At August 31, 2010 the balance of accounts receivable and the allowance accounts were as follows:

Gross Patient Receivable	\$ 55,980
Allowance for uncollectible accounts	(22,520)
Net Patient Receivable	\$ 33,460

Patient revenue and related adjustments for the fiscal year ended August 31, 2010 are detailed as follows:

Patient Billings	\$ 365,405
Less:	
Contractual adjustments	(109,413)
Sliding scale adjustments	(5,170)
Other adjustments	(2,106)
Patient refunds	(4,302)
Net Patient Revenue	\$ 244,413

D. OTHER RECEIVABLES

Other receivables consist of \$2,545 from Pointe Coupee General Hospital and \$3,319 from Innis Community Health Center, Inc.

Pointe Coupee Better Access Community Health (BACH)
Notes to Financial Statements
August 31, 2010

D. PROPERTY AND EQUIPMENT

Property and equipment activity is summarized as follows as of August 31, 2010:

	8/31/2009	Additions	Retirements	8/31/2010
Furniture and fixtures	\$ 23,138	\$ -	\$ -	\$ 23,138
Office equipment	34,093	-	-	34,093
Clinic equipment	279,253	-	-	279,253
Vehicles	91,463	-	-	91,463
Total Assets	427,947	-	-	427,947
Less: Accum depreciation	(66,278)	(51,948)	-	(118,226)
	<u>\$ 361,669</u>		<u>\$ -</u>	<u>\$ 309,721</u>

E. OPERATING LEASES

BACH has several leases, primarily for various form of equipment, that expire at various dates. Those leases generally contain renewal options for periods of three to five years. Rental expenses for those leases amounted to 3,738 for the year ending August 31, 2010. The future minimum lease payment over the next five years are as follows:

2010-11	\$ 3,808
2011-12	3,808
2012-13	2,237
2013-14	-
	<u>\$ 9,852</u>

Pointe Coupee Better Access Community Health (BACH)
Notes to Financial Statements
August 31, 2010

F. CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS IN EXCESS OF INSURED LIMITS

BACH maintains its cash balances in a local financial institution. The bank balance is insured by Federal Deposit Insurance Corporation up to \$250,000. At August 31, 2010, BACH's deposits were fully insured by FDIC.

G. CONCENTRATION OF CONTRIBUTIONS

BACH receives approximately 26% of its annual budget from Pointe Coupee Hospital Service District.

H. NONCOMPLIANCE WITH GRANTOR OR DONOR RESTRICTIONS

Financial awards from federal, state, and local governmental entities in the form of grants are subject to special audit. Such audits could result in claims against the Organization for disallowed costs or noncompliance with grantor restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

I. LIMITATIONS/RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets were released from restriction and expended for the following purposes or periods:

	<u>Amount</u>	<u>Fiscal Year</u>
Use of Wilson Foundation grant funds for Operation of the Urgent Care Clinic	\$ 25,050	2009-2010
	=====	

J. SUBSEQUENT EVENTS

Subsequent events were evaluated through February 24, 2011, which is the date the financial statements were available to be issued. It was determined that there are no significant events requiring recognition or disclosure through this date.

Supplementary Information

Pointe Coupee Better Access Community Health (BACH)
Schedule of Functional Expense
For the year ended August 31, 2010

	Program Expenses	Supporting Services Management & General	Fundraising	Total
Bank charges	\$ -	\$ 1,854	\$ -	\$ 1,854
Clinic supplies	21,900	-	-	21,900
Contract services	132,993	8,000	-	140,993
Community education and outreach	4,178	-	-	4,178
Continuing education	-	1,718	-	1,718
Depreciation expense	51,948	-	-	51,948
Dues and subscriptions	-	1,094	-	1,094
Equipment Rental	711	3,738	-	4,449
Facility maintenance	-	-	-	-
Insurance	9,873	3,836	-	13,709
Miscellaneous	-	3,446	-	3,446
Office supplies	-	7,719	-	7,719
Payroll taxes and fringes	15,532	12,567	-	28,100
Postage and delivery	-	1,200	-	1,200
Professional fees	-	8,510	-	8,510
Salaries	177,752	158,011	-	335,763
Security	-	264	-	264
Taxes and licenses	-	1,489	-	1,489
Technology computer software and support	-	12,820	-	12,820
Telephone and cable services	4,255	9,767	-	14,022
Travel and mileage	3,217	3,366	-	6,583
Vehicle expense	35,016	-	-	35,016
Total expenses	\$ 457,373	\$ 239,400	\$ -	\$ 696,774

Information Required By Government Auditing Standards

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REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Pointe Coupee Better Access Community Health (BACH)

I have audited the financial statements of Pointe Coupee Better Access Community Health (BACH) (a nonprofit organization) as of and for the year ended August 31, 2010, and have issued my report thereon dated February 24, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting –

In planning and performing my audit, I considered Pointe Coupee Better Access Community Health (BACH)'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of Pointe Coupee Better Access Community Health (BACH)'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organizations internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance –

As part of obtaining reasonable assurance about whether Pointe Coupee Better Access Community Health (BACH)'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the management, others within the organization and federal awarding agencies and pass-through entities, and is not intended to be, and should not be used by anyone other than these specified parties.

W. Kathleen Beard, CPA
February 24, 2011

**Pointe Coupee Better Access Community Health (BACH)
Schedule of Findings and Questioned Costs
For the Year Ended August 31, 2010**

I have audited the basic financial statements of Pointe Coupee Better Access Community Health (BACH), as of and for the year ended August 31, 2010, and have issued my report thereon dated February 24, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of OMB Circular A-133. My audit of the financial statements as of August 31, 2010 resulted in an unqualified opinion.

Section I – Summary of Auditor's Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No

Other Conditions Yes No

Compliance

Compliance Material to the Financial Statements Yes No

Federal Awards

N/A - The threshold of \$500,000 for performing an audit in accordance with OMB Circular A-133 was not met

Section II – Financial Statement Findings

There were no findings.

Section III – Management Letter –

No management letter issued

**Pointe Coupee Better Access Community Health (BACH)
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended August 31, 2010**

Section I – Summary of Auditor's Reports

There were No Findings

Section II – Financial Statement Findings

There were No Findings

Section III – Management Letter

No management letter issued.